

## Funding

Last Updated Wednesday, 12 April 2006

### Develop a Realistic Funding Plan

The budget is the means by which the city manages its assets, and implements its policies. The transportation budget is formulated within the policy context of the Transportation Master Plan (TMP). The TMP is based on implementing a balanced multimodal based transportation system. The TMP advocates that we:

adequately preserve the existing infrastructure;

- strive to increase safety;

- maximize the efficiency of our existing systems (pedestrian, bicycle, transit, and roadway); and, enhance mobility through investments in the completion of the alternative transportation system (pedestrian, bicycle, and transit).

The TMP advocates that this multimodal based investment strategy be focused in the system of ten corridors that constitute the designated multimodal corridor grid. TMP priorities form the base for funding allocation. Investment on enhancements to the modal systems is focused in multimodal corridors. With limited resources, investments are focused on maintaining the existing infrastructure. Remaining resources are focused on enhancements to the highest priority corridors.

The 1996 TMP prioritizes funding for maintenance, operation and safety as the top priority and advocates that the city move toward a preferred maintenance practice of life cycle replacement. The 2003 TMP Update is consistent with these funding priorities. Under all Update investment programs (Current Funding, Action Plan and Vision Plan) maintenance, operations, and safety programs receive the majority of transportation funds, ranging from 77 percent in the Current Funding program to 64 percent in the Vision program. As the roadway system is the largest and most complete of the modal systems, it requires the majority of maintenance and operation funds in each investment program. The Action Plan supplements the level of maintenance but does not reach the level of preferred practice.

The next funding priority after maintenance and operation is improving mobility through multimodal system enhancements and efficiency improvements, including roadway, transit, bicycle and pedestrian investments. The 1996 TMP developed system plans and identified the projects needed to complete each system. While the street system largely exists today, other systems such as transit and bikes are only partially developed and consequently require greater investment to reach completion. The 1996 TMP vision includes a grid-based high-frequency transit system and a grid-based bicycle system of primary and secondary corridors intended to accommodate all levels of users.

The 2003 TMP Update process has refreshed the vision for each mode; identifying completed projects, and adding and removing proposed projects (see Modes and Plans for more detail). The number of proposed high-frequency transit routes has been reduced from 18 to 13; the need for improved regional connections is highlighted; additional efficiency projects are identified for the road system; and a major network planning effort has been completed to identify bike/pedestrian and road connections needed throughout the community similar to the adopted Transportation Network Plans. Project costs were reviewed and documented.

A significant refinement in the investment programs is to prioritize projects by multimodal corridor segment. City Council's direction in the 1999 Prioritization Process (53.42 KB) emphasized multimodal transportation investments by prioritized corridor. The new process incorporated an improved understanding of the elements and integration needed to produce a transportation system that works well for all modes. Projects have been classified by multimodal corridor segments, and these segments prioritized by a matrix of criteria that include the level of transit service, regional connections, existing and needed facilities, and existing and future land use.

### Funding for the Action Plan

To accomplish the \$111 million of additional investments outlined in the Action Plan, additional funding will be required. (Click [here](#) for more information about the different investment packages, including the Action Plan.) This amount equals approximately \$5 million of additional funding annually. One source of funds that staff will continue to pursue is federal and state grants (see Current Financing). Historically the city has been able to receive about \$2 million per year in these grants. Even if the city were only able to secure half the historical grants, these federal and state funds would provide a positive step toward the proposed Action Plan. However, a significant source of new revenue will be needed to fund the Action Plan.

Examples of funding sources that might be considered that would each approximately produce the required funds include:

- An increase in sales tax of 0.25 percent, or
- A head tax of about \$2 per employee per month, or
- An increase in the Transportation Excise Tax for new development, or
- Some combination of these or other sources.

[Click here for more details on funding sources.](#)

The declining ability of the city to fund enhancements in the system is demonstrated by the graph below. From 1980 to the proposed 2004 budget, the portion of funding available for enhancements has decreased from being more than half of the transportation budget to 25 percent. Some of this change is due to the increased maintenance needed on a larger system and to recent reductions in enhancements consistent with our priority to maintain the system, with roadway maintenance being the largest expense. Even with these adjustments, capital investment in the transportation system has clearly fallen short of recent growth and the amount needed to achieve our transportation goals and objectives.

[Click on the chart for a larger view.](#)  
Transportation Revenues

Revenues to support the transportation programs and investments of the city come from a variety of sources, but by far the largest share comes from sales tax revenue. In recent years, the dedicated transportation sales tax has provided approximately 63 percent of total funding for transportation. The funds expected to be available for transportation through 2025 reflect the city's revenue forecasts and current funding sources, resulting in \$448 million in 2003 dollars.

#### City Revenue Forecast to 2025 (all in 2003 dollars, in thousands)

##### Revenue Source

##### Average Annual

##### Total to 2025

##### Sales Tax

\$12,174

\$280,000

##### Excise Tax

\$1,000

\$23,000

##### Intergovernmental Revenues

(includes grants)

\$6,304

\$145,000

Total

\$19,478

\$448,000

[Click here for more details on how the city currently funds transportation.](#)